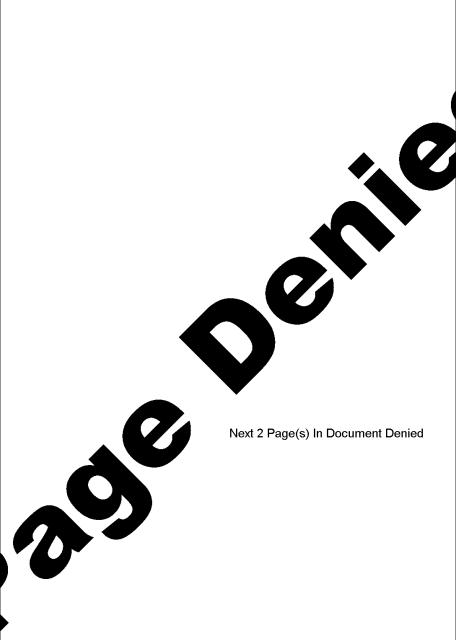
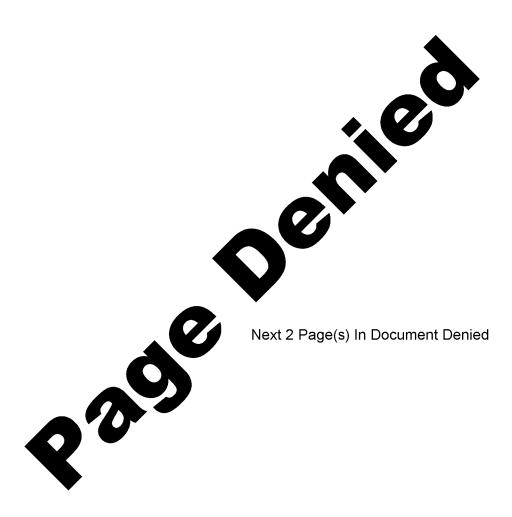
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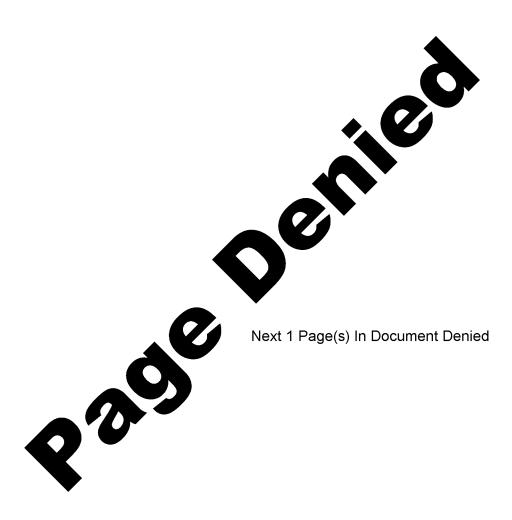
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For Immediate Release

March 11, 1999

## STATEMENT BY THE PRESIDENT

The United States has had a long and mutually productive relationship with Panama. The people of the United States consider the people of Panama to be near neighbors and friends. The historic Panama Canal Treaties exemplify the close cooperation that has traditionally characterized the triendship between the two countries which created one of the great engineering works of the human race.

Out of concern for our friendship, we have been saddened and increasingly worried in recent years as Panama's political crisis deepened. Our policy with respect to the situation in Panama is clear. We strongly favor a rapid restoration of democracy and the resumption by the Panamanian Defense Forces of a role consistent with constitutional democracy.

In the present circumstances, I believe that General Noriega would best serve his country by complying with the instruction of President Delvalle to relinquish his post. In so doing, General Noriega would contribute very substantially to reducing political tensions and set the stage for a prompt transition to democracy in Panama.

Intil such a time as democratic government is restored in Panama, the U.S. cannot proceed on a "business as usual" basis. Today, therefore, I have taken a number of steps against the lilegitimate Noreiga regime that will contribute significantly to the goal of a democratic, stable and prosperous Panama.

I have directed that actions be taken to suspend trade preferences available to Panama under the Generalized System of Preferences (GSP) and the Caribbean Basin Initiative. Further, in keeping with the spirit of our war against lrugs. I have ordered that Panama be subject to intensified scruting by our Immigration and Customs Services in order to apprehend drug traffickers and money launderers. Moreover, because we recognize President Delvalle as the lawful Head of Government in Pandma. have directed that all departments and agencies inventory all sources of funds due or payable to the Republic of Panama trom the U.S. Government, for purposes of determining those that should be placed in escrow for the Delvalla Government on themails if the Panamanian people. In that light, I have directed than certain payments due to Panama from the Panama Canal Commission ce placed in escrow immediately. This step is in complete compliance with our obligations under the terms of the Panama Canal Treaties. I am prepared to take additional steps, if necessary, to deny the transfer of funds to the Noriega regima from other sources in the U.S.

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Panama cailing for a government of national reconciliation. We support their goal of restoring democratic government and constitutional order. Once Panamanians achieve this goal, the United States is fully prepared to work with the Government of Panama to help quickly restore Panama's economic health.

The United States has been, and remains, committed to fulfilling faithfully its obligations under the Panama Canal Treaties. We are also prepared to resume our close working relationships with the Panamanian Defense Forces once civilian government and constitutional democracy are re-established.

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Central Intelligence Agency Washington, D.C. 20505

**Executive Secretariat** 

4/12/88

Panama ECON ACTIONS: 15 March 29 March Declassified in Part - Sanitized Copy Approved for Release 2012/08/07 : CIA-RDP90G01353R001200060011-5 **ECRETARIAT** 

**ROUTING SLIP** 

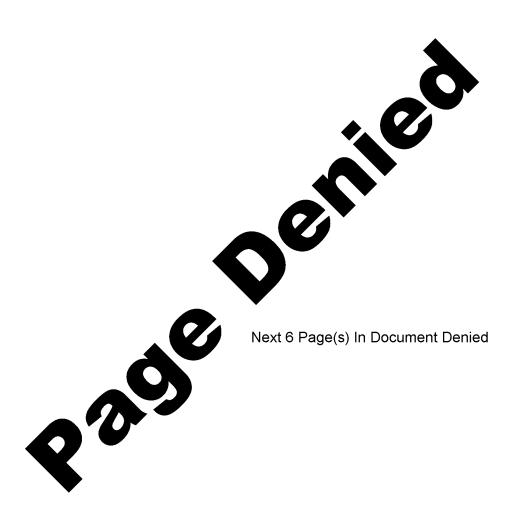
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Executive Secretary 8 April 1988

Date

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## Office of the Press Secretary

For Immediate Release

March 11, 1988

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The lave welcomed the recent statements issued by President
Delvalle, the political parties and the civilian crusade of
Fanama calling for a government of national reconciliation. We
support their goal of restoring democratic government and
constitutional order. Once Panamanians achieve this goal, the
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